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BY AND SHOULD BE RETURNED
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ABOVE SPACE FOR RECORDER'S USE ONLY

DECLARATION OF COVENANTS FOR SYMPHONY BAY

[Blanks in Sections 1.02, 1.28, 1.32 and 1.39
Exhibits A, B, and C to be completed]

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DECLARATION OF COVENANTS FOR SYMPHONY BAY

This Declaration is made by TAYLOR MORRISON OF ILLINOIS, INC., an Illinois corporation ("Declarant").

RECITALS

Declarant is the record title holder of a portion of the Development Area which is legally described in Exhibit A hereto. Declarant is under contract to purchase the balance of the Development Area. Some or all of the Development Area shall be the subject of a single family development called "Symphony Bay" (the "Development").

Symphony Bay will be developed in phases as single family detached homes and duplexes in an age targeted community.

The Declarant shall subject the real estate which is legally described in Exhibit B hereto to the provisions of this Declaration as the Premises. Initially, the Declarant shall subject the real estate which is legally described in Exhibit B hereto to the provisions of this Declaration as the Premises. From time to time the Declarant may subject additional portions of the Development Area to the provisions of this Declaration as Added Premises, as more fully described in Article Twelve. Nothing in this Declaration shall be construed to require the Declarant to subject additional portions of the Development Area to the provisions of this Declaration. Those portions of the Development Area which are not made subject to the provisions of this Declaration as Premises may be used for any purposes not prohibited by law.

The general purpose of this Declaration is to ensure the most appropriate development and improvement of the Premises; to guard against the erection thereon of poorly designed or proportioned structures; to obtain harmonious improvements and use of material and color schemes; to protect the investment made by Owners; to protect against improper uses; and to encourage and secure the construction of attractive residential structures thereon.

Certain portions of the Premises are designated as Detached Home Lots and Duplex Parcels and other portions are designated as Community Area. The Declarant has formed (or will form) the Association as a nonstock, nonprofit corporation under Wisconsin Statute Chapter 181 - Nonstock Corporations. The Association shall have the responsibility for administering and maintaining the Community Area and any other property maintained by the Association and shall set budgets and fix assessments to pay the expenses incurred in connection with such responsibility. Each Owner of a Detached Home Lot or Duplex Parcel shall be a member of the Association and shall be responsible for paying assessments with respect to the Detached Home Lot or Duplex Parcel owned by such Owner.

It is not intended that the Association shall be a "master association" as defined in Section 703.155 of the Condominium Ownership Act.

As of the Recording of this Declaration, the Declarant's Development Plan provides for the construction of 374 single family homes and 58 duplexes and certain community area lots, all as shown on the Plat, as maybe added or amended from time to time.

During the construction and marketing of the Development, the Declarant shall retain certain rights set forth in this Declaration, which rights shall include, without limitation, the right, prior to the Turnover Date, to manage the affairs of the Association, and to appoint all members of the Board, as more fully described in Article Nine and in the By-Laws, the right to come upon the Premises in connection with Declarant's efforts to sell Detached Home Lots and Duplex Parcels and other rights reserved in Article Nine.

NOW, THEREFORE, the Declarant hereby declares as follows:

Article One
DEFINITIONS

For the purpose of brevity and clarity, certain words and terms used in this Declaration are defined as follows:

1.01 ASSOCIATION: The Symphony Bay Homeowners Association, Inc., a Wisconsin nonstock, nonprofit corporation, its successors and assigns.

1.02 ASSOCIATION MAINTAINED PUBLIC AREA: Those landscaped areas located in the dedicated rights of way adjacent to _____ which serve the Development and those portions of the Bike Trail which are located adjacent to the Premises.

1.03 BIKE TRAIL: The bike trail located on the Development and on the Association Maintained Public Area adjoining and all improvements thereon.

1.04 BY-LAWS: The By-Laws of the Association.

1.05 CHARGE: The Community Assessment, the Duplex Assessment (each as defined in Section 6.02), any special assessment levied by the Association and/or any other charges or payments which an Owner is required to pay or for which an Owner is liable under this Declaration or the By-Laws.

1.06 COMMUNITY AREA: Those portions of the Premises which are designated in Part III of Exhibit B, as Exhibit B may be amended from time to time, as Community Area together with all improvements located above and below the ground and rights appurtenant thereto. The Community Area will generally consist of and include the private roads which serve the Premises and open space and improvements located thereon.

1.07 COMMUNITY ASSESSMENT: The amounts which the Association shall assess and collect from the Owners to pay the Community Expenses and accumulate reserves for such expenses, as more fully described in Article Six.

1.08 COMMUNITY EXPENSES: The expenses of administration (including management and professional services), operation, maintenance, repair, replacement and landscaping and other improvements (including any monument signage) on the Community Area, or as otherwise provided in this Declaration; the cost of insurance for the Community Area; the cost of general and special real estate taxes and assessments levied or assessed against the

Community Area owned by the Association; the cost of, and the expenses incurred for, the maintenance, repair and replacement of personal property acquired and used by the Association in connection with the maintenance of the Community Area and Association Maintained Public Area; if not separately metered or charged to the Owners, the cost of necessary utility services to the Premises; costs, expenses, fees or charges payable to the Municipality pursuant to this Declaration; and any other expenses lawfully incurred by the Association for the common benefit of all of the Owners, provided however, Community Expenses shall not include any Duplex Expenses.. Notwithstanding the foregoing, Community Expenses shall not include any payments made out of Capital Reserves.

1.09 COUNTY: Walworth County, Wisconsin, or any political entity which may from time to time be empowered to perform the functions or exercise the powers vested in a County as of the Recording of this Declaration.

1.10 DECLARANT: TAYLOR MORRISON OF ILLINOIS, INC., an Illinois corporation, its successors and assigns.

1.11 DECLARANT'S DEVELOPMENT PLAN: Declarant's current plan for the Development. Declarant's Development Plan shall be maintained by the Declarant at its principal place of business and may be changed at any time or from time to time without notice.

1.12 DECLARATION: This instrument with all Exhibits hereto, as amended or supplemented from time to time.

1.13 DETACHED HOME: A single-family residential home which is constructed on a Detached Home Lot.

1.14 DETACHED HOME COMMITTEE: A committee which shall have certain responsibilities and powers with respect to the Detached Homes hereunder and which shall be constituted as provided in Article Five.

1.15 DETACHED HOME LOT: A subdivided lot which is designated in Part II.A. of Exhibit B hereto, as Exhibit B may be amended from time to time, as a "Detached Home Lot".

1.16 DEVELOPMENT AREA: The real estate described in Exhibit A hereto with all improvements thereon and rights appurtenant thereto. Exhibit A is attached hereto for informational purposes only and no covenants, conditions, restrictions, easements, liens or changes shall attach to any part of the real estate described therein, except to the extent that portions thereof are described in Exhibit B and expressly made subject to the provisions of this Declaration as part of the Premises. Any portions of the Development Area which are not made subject to the provisions of this Declaration as part of the Premises may be developed and used for any purposes not prohibited by law, including, without limitation, as a residential development which is administered separate from the Development.

1.17 DUPLEX: A residential unit which is constructed on a Duplex Parcel.

1.18 DUPLEX COMMITTEE: A committee which shall have certain responsibilities and powers with respect to the Duplexes hereunder and which shall be constituted as provided in Article Five.

1.19 DUPLEX COMMON AREA: Those portions of the Premises which are legally described and designated in Part IV of Exhibit B hereto, as Exhibit B may be amended from time to time, as Duplex Common Area and all improvements thereto and landscaping thereon. The Duplex Common Area will generally consist of and include the driveways, service walks and green areas which serve the Duplexes.

1.20 DUPLEX EXPENSES: The expenses of the maintenance, repair and replacement of the Duplex Exteriors; the premiums for fire and extended coverage insurance for the Duplexes, if provided pursuant to Article Four; any expense which is designated as a Duplex Expense in this Declaration; and any expense incurred by the Association which, pursuant to generally accepted accounting principles, are reasonably allocable to the maintenance, repair or replacement of Duplex Exteriors. Duplex Expenses shall not be Community Expenses. In the event that certain expenses are incurred by the Association in connection with the Community Area and/or Duplex Exteriors, the allocation of such expenses between Community Expenses and Duplex Expenses shall be made by the Board based on generally accepted accounting principles, and any such allocation shall be final and binding.

1.21 DUPLEX EXTERIOR: The roof, foundation or slab and footings of a Duplex. The Duplex Exterior shall not include windows, window frames, window glass, doors (including garage and storm doors) or screening, downspouts, steps, decks, roof decks, patios or the outer surface of exterior walls, which are part of a Duplex.

1.22 DUPLEX LOT: A subdivided lot which is designated in Part II.B. of Exhibit B hereto, as Exhibit B may be amended from time to time, as a "Duplex Lot".

1.23 DUPLEX PARCEL: Each Duplex Lot shall be improved with a building containing at least two (2) dwelling units. Each dwelling unit on a Duplex Lot shall share a perimeter wall with at least one (1) other dwelling unit. The shared walls are defined as "Party Walls" in Section 13.01 hereof. Each Duplex Lot shall be divided into at least two (2) tracts which shall be defined by the Party Walls, as extended to the lot line. Each such tract shall consist of a dwelling unit (including approximately one-half (1/2) of the Party Wall which divides the dwelling unit from an adjacent dwelling unit) landscapable areas, and portions of driveways and walkways. Each tract shall be legally described in the deed which conveys the tract to the first purchaser thereof from the Declarant and the tract so described, together with all improvements thereon, shall be a "Duplex Parcel" hereunder.

1.24 DWELLING UNIT: A portion of the Premises which is, or will be, improved with a single family residential unit for which a temporary, conditional or final certificate of occupancy has been issued by the Municipality. A Dwelling Unit may be a Detached Home Lot which is, or will be, improved with a Detached Home or a Duplex Parcel which is, or will be, improved with a Duplex.

1.25 FIRST MORTGAGEE: The holder of a bona fide first mortgage or equivalent security interest covering a Dwelling Unit.

1.26 HOME: That portion of a Dwelling Unit which is improved with a residential unit which is either a Detached Home or a Duplex.

1.27 MANAGER: The manager or managers from time to time as appointed or elected as provided in this Declaration or the By-Laws.

1.28 MONUMENT SIGN EASEMENT: Easement on _____ for monument sign which shall be maintained by the Association pursuant to _____ [insert document name]

1.29 MUNICIPALITY: The City of Lake Geneva, Wisconsin or its successors or assigns, or any political entity which may from time to time be empowered to perform the functions or exercise the powers vested in the Municipality as of the Recording of this Declaration.

1.30 OWNER: An owner of Record, whether one or more persons, of fee simple title to a Dwelling Unit, including a contract seller, but excluding those having such interest merely as security for the performance of an obligation. The Declarant shall be deemed to be an Owner with respect to each Dwelling Unit owned by the Declarant.

1.31 PERSON: A natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

1.32 PLAT: That certain Final Plat of Subdivision for Symphony Bay, recorded in the Office of the Register of Deeds of Walworth County, Wisconsin, on _____, as Document No. _____, including each and any subsequent recorded final plat of subdivision affecting a portion of the Premises.

1.33 PREMISES: Those portions of the Development Area which are legally described in Exhibit B hereto, with all improvements thereon and rights appurtenant thereto. Declarant shall have the right, but not the obligation, to make additional portions of the Development Area subject to this Declaration as part of the Premises as more fully provided in Article Twelve.

1.34 RECORD: To record in the office of the Register of Deeds for the County.

1.35 RECREATION CENTER: The recreation center located on the Premises, with all improvements appurtenant thereto, including without limitation, aquatic areas, landscaping, sidewalks and driveways.

1.36 RESIDENT: An individual who legally resides in a Dwelling Unit.

1.37 TURNOVER DATE: The date on which the right of the Declarant to manage the affairs of the Association is terminated under Section 9.05.

1.38 VOTING MEMBER: The individual who shall be entitled to vote in person or by proxy at meetings of the Owners, as more fully set forth in Article Five.

1.39 WOODLAND CONSERVANCY EASEMENT: Easement on _____ for conservation which shall be maintained by the Association pursuant to _____ [insert document name].

Article Two

SCOPE OF DECLARATION/CERTAIN EASEMENTS

2.01 PROPERTY SUBJECT TO DECLARATION: Declarant, as the owner of fee simple title to the Premises, expressly intends to and by Recording this Declaration, does hereby subject the Premises to the provisions of this Declaration. Declarant shall have the right from time to time to subject additional portions of the Development Area to the provisions of this Declaration as Added Premises, as provided in Article Twelve hereof. Nothing in this Declaration shall be construed to obligate the Declarant to subject to this Declaration as Premises any portion of the Development Area other than those portions which are described in Exhibit B hereto or which are added to Exhibit B by Supplemental Declarations (as defined in Section 12.01) Recorded by Declarant pursuant to Article Twelve.

2.02 CONVEYANCES SUBJECT TO DECLARATION: All easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits, and privileges which are granted, created, reserved or declared by this Declaration shall be deemed to be covenants appurtenant, running with the land and shall at all times inure to the benefit of and be binding on any Person having at any time any interest or estate in the Premises, and their respective heirs, successors, personal representatives or assigns, regardless of whether the deed or other instrument which creates or conveys the interest makes reference to this Declaration.

2.03 DURATION: Except as otherwise specifically provided herein the covenants, conditions, restrictions, easements, reservations, liens, and charges, which are granted, created, reserved or declared by this Declaration shall be appurtenant to and shall run with and bind the land for a period of forty (40) years from the date of Recording of this Declaration and for successive periods of ten (10) years each unless revoked, changed or amended in whole or in part as provided in Section 10.02.

2.04 DETACHED HOME LOT OR DUPLEX PARCEL CONVEYANCE: Once a Detached Home Lot or Duplex Parcel has been conveyed by the Declarant to a bona fide purchaser for value, then any subsequent conveyance or transfer of ownership of the Detached Home Lot or Duplex Parcel shall be of the entire Detached Home Lot or Duplex Parcel and there shall be no conveyance or transfer of a portion of the Detached Home Lot or Duplex Parcel without the prior written consent of the Board.

2.05 ACCESS EASEMENT: Each Owner of a Dwelling Unit shall have a non-exclusive perpetual easement for ingress to and egress from his Dwelling Unit to a public way, over and across the service walks located on the Community Area, which easement shall run with the land, be appurtenant to and pass with title to every Dwelling Unit. In addition, each Owner of a Duplex shall have a non-exclusive perpetual easement for ingress to and egress from his Duplex to public streets and roads over and across the driveways and service walks located on the Duplex Common Area, which easement shall run with the land, be appurtenant to and pass with title to every Duplex. The Municipality or any other governmental authority which has jurisdiction over the Premises

shall have a non-exclusive easement of access over and across the Community Area and Duplex Common Area for police, fire, ambulance, waste removal, snow removal, or for the purpose of furnishing municipal or emergency services to the Premises. The Association, its employees and agents, shall have the right of ingress to, egress from, and access over the Community Area, and Duplex Common Area and Association Maintained Public Area, and the right to store equipment on the Community Area and the Duplex Common Area, for the purpose of furnishing any maintenance, repairs or replacements as required or permitted to be furnished by the Association hereunder.

2.06 RIGHT OF ENJOYMENT: Each Owner shall have the non-exclusive right and easement to use and enjoy the Community Area. Each Owner of a Duplex shall have the non-exclusive right and easement to use the Duplex Common Area for the purpose of carrying out obligations as required herein. Such rights and easements shall run with the land, be appurtenant to and pass with title to every Dwelling Unit, and shall be subject to and governed by the laws, ordinances and statutes of jurisdiction, the provisions of this Declaration, the By-Laws, and the reasonable rules and regulations from time to time adopted by the Board.

2.07 DELEGATION OF USE: Subject to the provisions of this Declaration, the By-Laws, and the reasonable rules and regulations from time to time adopted by the Association, any Owner may delegate his right to use and enjoy the Community Area or the Duplex Common Area to Residents of the Owner's Dwelling Unit. An Owner shall delegate such rights to tenants and contract purchasers of the Owner's Dwelling Unit who are Residents.

2.08 UTILITY EASEMENTS: The Municipality and all public and private utilities (including cable companies) serving the Premises are hereby granted the right to lay, construct, renew, operate, and maintain conduits, cables, pipes, wires, transformers, switching apparatus and other equipment, into and through the Community Area and Duplex Common Area for the purpose of providing utility services to the Premises or any other portion of the Development Area. In addition, each Owner of a Dwelling Unit shall have a perpetual easement for the continued existence and use of water, sewer, electric, gas or other utility lines, and/or components of other systems which were originally installed by the Declarant or a utility company and which serve the Owner's Dwelling Unit, which utility lines or wiring may be located in other portion of the Premises, including, without limitation, under or through another Dwelling Unit.

2.09 RULES AND REGULATIONS: The use and enjoyment of the Premises shall at all times be subject to reasonable rules and regulations duly adopted by the Board from time to time.

2.10 EASEMENTS, LEASES, LICENSES AND CONCESSIONS: The Association shall have the right and authority from time to time to lease or grant easements, licenses, or concessions with regard to any portions or all of the Community Area and Duplex Common Area for such uses and purposes as the Board deems to be in the best interests of the Owners and which are not prohibited hereunder, including, without limitation, the right to grant easements for utilities or any other purpose which the Board deems to be in the best interests of the Owners. Any and all proceeds from leases, easements, licenses or concessions with respect to the Community Area or Duplex Common Area, as the case may be, shall be used to pay the Community Expenses or Duplex Common Expenses, as the case may be. Also, the Association shall have the right and

power to dedicate any part or all of the roads, parking areas or other vacant areas located on the Community Area to the Municipality or other governmental authority which has jurisdiction over the Community Area. Each person, by acceptance of a deed, mortgage, trust deed, other evidence of obligation, or other instrument relating to a Dwelling Unit, shall be deemed to grant a power coupled with an interest to the Board, as attorney-in-fact, to dedicate portions of the Community Area or to grant, cancel, alter or otherwise change the easements provided for in this Section. Any instrument executed pursuant to the power granted herein shall be executed by the President and attested to by the Secretary of the Association and duly Recorded.

2.11 ASSOCIATION'S ACCESS: The Association shall have the right and power to come onto any portion of the Premises for the purpose of furnishing the services required to be furnished hereunder or enforcing its rights and powers hereunder.

2.12 NO DEDICATION TO PUBLIC USE: Except for easements granted or dedications made as permitted in Sections 2.05, 2.08 and 2.17, nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Community Area or Duplex Common Area to or for any public use or purpose whatsoever.

2.13 EASEMENT FOR ENCROACHMENT: In the event that by reason of the construction, repair, reconstruction, settlement or shifting of an improvement to a Dwelling Unit which is improved with a Home, any improvement which is intended to service and/or be part of the Dwelling Unit shall encroach upon any part of any other Dwelling Unit or upon the Community Area, Duplex Common Area or any improvement to the Community Area or Duplex Common Area shall encroach upon any part of a Dwelling Unit which is improved with a Home, then there shall be deemed to be an easement in favor of and appurtenant to such encroaching improvement for the continuance, maintenance, repair and replacement thereof; provided, however, that in no event shall an easement for any encroachment be created in favor of any Owner (other than Declarant), if such encroachment occurred due to the intentional, willful, or negligent conduct of such Owner or his agent. Without limiting the foregoing, the Owner of each Dwelling Unit which is improved with a Home shall have an easement appurtenant to his Dwelling Unit for the continuance, maintenance, repair and replacement of the following improvements, if any, which encroach onto another Dwelling Unit, the Community Area or Duplex Common Area:

- (a) the eaves, gutters, downspouts, facia, flashings, and like appendages which serve the Home on the Dwelling Unit;
- (b) the chimney which serves the Home on the Dwelling Unit;
- (c) the air conditioning equipment which serves the Home on the Dwelling Unit; or
- (d) balconies, steps, porches, door entries and patios which serve the Home on the Dwelling Unit.

The Person who is responsible for the maintenance of any encroaching improvement for which an easement for continuance, maintenance, repair and replacement thereof is granted under this Section shall continue to be responsible for the maintenance of such encroaching improvement and the Person who is responsible for the maintenance of the real estate upon which such

improvement encroaches shall not have the duty to maintain, repair or replace any such encroaching improvement unless otherwise provided in this Declaration.

2.14 OWNERSHIP OF COMMUNITY AREA: The Community Area, including the Recreation Center, shall be conveyed to the Association free of mortgages no later than the Turnover Date; however any such area which is made subject to this Declaration after the Turnover Date shall be conveyed to the Association free of mortgages no later than ninety (90) days after such area is made subject to this Declaration.

2.15 REAL ESTATE TAXES FOR COMMUNITY AREA: If a tax bill is issued with respect to Community Area and/or Duplex Common Area which is made subject to this Declaration in the middle of a tax year (regardless of when it is conveyed to the Association), then the tax bill shall be prorated so that the Declarant shall be responsible for the payment of that portion of the tax bill from January 1st of the tax year to the date that such area is made subject to this Declaration, and the Association shall be responsible for the balance of the tax bill. The same proration shall apply to any outstanding special assessments as well.

2.16 LEASE OF DWELLING UNIT: Any Owner shall have the right to lease all (but not less than all) of his Dwelling Unit subject to the following provisions:

(a) No Dwelling Unit shall be leased for less than six (6) months or for hotel or transient purposes;

(b) Any lease shall be in writing and shall provide that such lease shall be subject to the terms of this Declaration and that any failure of the lessee to comply with the terms of this Declaration shall be a default under the lease. A lessee shall be bound by the provisions hereof regardless of whether the lease specifically refers to this Declaration; and

(c) Each Owner who leases his Dwelling Unit shall be required to furnish the Association with a copy of the lease and shall promptly notify the Association of any change in status of the lease. The Association shall maintain a record of such information with respect to all leased Homes.

2.17 OTHER EASEMENTS:

(a) The Association shall be responsible for all necessary maintenance and repairs associated with the:

(i) The Monument Sign Easement; and

(ii) The Woodland Conservancy Easement.

(b) An easement is hereby granted in favor of the Municipality and the public for the use of and ingress, egress and access over the Bike Trail.

Article Three
MAINTENANCE/SERVICES/ALTERATIONS

3.01 IN GENERAL: The restrictions and limitations contained in this Article shall be subject to the rights of the Declarant set forth in Article Nine.

3.02 MAINTENANCE BY ASSOCIATION:

(a) The following maintenance, repairs and replacements shall be furnished by the Association as a Community Expense:

(i) Grass cutting and added planting, replanting, care and maintenance of trees, shrubs, flowers, grass and all other landscaping on the Community Area; however, the watering of landscaping on the Community Area shall be furnished by the Owners and/or Residents pursuant to rules, regulations and procedures adopted from time to time by the Board;

(ii) Maintenance, repair and replacements of improvements located on the Community Area, including without limitation, walking paths and Bike Trail;

(iii) Maintenance (including snow removal) and minor repairs (as determined by the Association in its sole discretion) of the private driveways, front walkways and sidewalks which serve the Homes on the Premises;

(iv) Subject to the provisions of Sections 3.07 and 3.08, grass cutting and the care and maintenance (including periodic trimming and pesticide applications) of trees, shrubs, and grass on the Dwelling Unit outside the Home; however, the replacement of all landscaping (including grass, trees and shrubs) and the watering of landscaping on the Dwelling Unit shall be furnished by the Owners and/or Residents at their expense pursuant to rules, regulations and procedures adopted from time to time by the Board.

(v) To the extent not maintained by a utility company, maintenance, repair and replacement of the storm, sanitary, water, electric, gas, other utility lines and components of other systems which are located on the Premises and serve more than one Home; and

(vi) Maintenance required by the Monument Sign Easement and the Woodland Conservancy Easement;

(vii) Maintenance, repair and replacement of detention and stormwater management areas located on the Community Area;

(viii) Maintenance, repair and replacement of the Recreation Center; and

(ix) The portion of the Bike Trail and any landscape island located on the Association Maintained Public Area.

(b) The following maintenance, repairs and replacements shall be furnished by the Association as a Duplex Expense:

- (i) All maintenance, repairs and replacements to Duplex Exteriors.

3.03 MAINTENANCE BY OWNER:

(a) Except as otherwise specifically provided for in this Declaration, each Owner shall be responsible for the maintenance, repair and replacement of his Dwelling Unit and Home.

(b) To the extent not maintained by a utility company, maintenance, repair and replacement of storm, sanitary, water, electric, gas, other utility lines and components of other systems which serve only the Owner's Home and are located on any portion of the Premises shall be the responsibility of the Owner of the Home served by any such utility line or other system.

(c) Each Owner of a Detached Home Lot shall cause the Detached Home and other improvements constructed thereon to be maintained so that the appearance of the Detached Home and other improvements are substantially similar to its appearance when first constructed or as modified as permitted pursuant to Section 3.07, ordinary unavoidable wear and tear excepted.

(d) Each Owner of a Duplex Parcel shall be responsible for providing maintenance, repairs, and replacements of the Duplex (but excluding the Duplex Exterior) windows, doors (including storm and including without limitation the garage doors), screening, gutters, downspouts, steps, decks, roof decks and patios on a Duplex Parcel shall be the responsibility of the Owner of the Duplex Parcel; however, at the option of the Board (in consultation with the Duplex Committee), such work may be furnished by the Association and the cost thereof charged to the Owner of the Duplex Parcel based on actual cost, as determined by the Board in their reasonable judgment.

(e) If, in the judgment of the Board, an Owner fails to maintain those portions of the Owner's Home which the Owner is responsible for maintaining hereunder in good condition and repair or the appearance of such portions is not of the quality of that of other Homes in the Development or in compliance with rules and regulations adopted by the Board, then the Board may, in its or their discretion, take the following action:

(i) advise the Owner of the work which must be done and allow the Owner at least twenty (20) days (or less in the case of an emergency) to cause the work to be done; and

(ii) if the work is not done to the satisfaction of the Board, in its or their sole judgment, then the Board may seek injunctive relief, levy a fine and/or cause such work to be done and the cost thereof shall be a Charge payable by the Owner to the Association upon demand.

(f) Repairs and replacements which are required due to occurrences which are normally covered by insurance required to be obtained by the Association under Section 4.01 shall be made as provided in Section 4.06.

3.04 CERTAIN UTILITY COSTS: Certain utility costs incurred in connection with the use, operation and maintenance of the Premises may not be separately metered and billed to the Association. Without limiting the foregoing, the Association shall have the right to use water from

taps or spigots which may be located on a Home for the purpose of watering landscaping on the Community Area. If the cost for any such utility is metered and charged to individual Dwelling Units rather than being separately metered and charged to the Association, then the following shall apply:

(a) If in the opinion of the Board, each Owner is sharing in a fair and equitable manner the cost for such service, then no adjustment shall be made and each Owner shall pay his own bill; or

(b) If in the opinion of the Board, the Owner is being charged disproportionately for costs allocable to the Community Area, then the Association shall pay, or reimburse such Owner, an amount equal to the portion of the costs which in the reasonable determination of the Board is properly allocable to the Community Area, and the amount thereof shall be Community Expenses.

Any determinations or allocations made hereunder by the Board shall be final and binding on all parties.

3.05 DAMAGE BY RESIDENT: If, due to the act or omission of a Resident of a Dwelling Unit, or of a household pet or guest or other authorized occupant or invitee of an Owner, damage shall be caused to the Community Area, Association Maintained Public Area, or Duplex Exteriors and maintenance, repairs or replacements shall be required thereby, which would otherwise be a Community Expense or a Duplex Expense, then the Owner of the Dwelling Unit shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Board, to the extent not covered by insurance carried by the Association.

3.06 ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO THE COMMUNITY AREA:

(a) No alterations, additions or improvements shall be made to the Community Area and no modifications shall be made to the Association Maintained Public Area without the prior approval of the Board and compliance with applicable ordinances of the Municipality.

(b) The Association may cause alterations, additions or improvements to be made to the Community Area and the cost thereof shall be paid from a special assessment, as more fully described in Section 6.05.

(c) If the Association shall alter, in any way, landscaping which was installed by the Declarant on the Community Area or Association Maintained Public Area in accordance with plans approved by the Municipality, and if the Municipality requires that the altered area be returned to its original state, then the Association shall be responsible for restoring the altered area in accordance with the plans approved by the Municipality and the cost thereof shall be a Community Expense.

3.07 ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO DETACHED HOME LOTS: Subject to the provisions of Section 9.08, no additions, alterations or improvements shall be made to any Detached Home Lot or any part of the Detached Home which is visible from outside the Detached Home without the prior written consent of the Board, in consultation with the Detached Home Committee and, until the Declarant no longer owns or controls title to any

portion of the Development Area, the prior written consent of the Declarant. If an addition, alteration or improvement which requires the consent of the Board and/or Declarant hereunder is made to a Detached Home Lot or any part of the Detached Home thereon by an Owner without the prior written consent of the Board or Declarant, or both, as applicable, then (i) the Board may, in its discretion, take any of the following actions; and (ii) until such time as the Declarant no longer owns or controls title to any portion of the Development Area, the Declarant may, in its discretion take any of the following actions:

(a) Require the Owner to remove the addition, alteration or improvement and restore the Dwelling Unit to its original condition, all at the Owner's expense; or

(b) If the Owner refuses or fails to properly perform the work required under (a), the Board may cause such work to be done and may charge the Owner for the cost thereof as determined by the Board; or

(c) Ratify the action taken by the Owner, and the Board may (but shall not be required to) condition such ratification upon the same conditions which it may impose upon the giving of its prior consent under this Section.

3.08 ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO DUPLEX, DUPLEX PARCELS: Subject to the provisions of Section 9.08, no additions, alterations or improvements shall be made to any Duplex Parcel or any part of the Duplex, including, without limitation, a roof deck, or Duplex Common Area by an Owner without the prior written consent of the Board, in consultation with the Duplex Committee, and, until the Declarant no longer owns or controls title to any portion of the Development Area, the prior written consent of the Declarant. The Board and/or Declarant may (but shall not be required to) condition its consent to the making of an addition, alteration or improvement to a Duplex, Duplex Exterior or Duplex Common Area which requires the consent of the Board and/or Declarant upon the Owner's agreement either (i) to be solely responsible for the maintenance of such addition, alteration or improvement, subject to such standards as the Board may from time to time set, or (ii) if the addition, alteration or improvement is required to be maintained hereunder by the Association as part of the Duplex Expenses, to pay to the Association from time to time the additional cost of maintenance as a result of the addition, alteration or improvement. If an addition, alteration or improvement which requires the consent of the Board and/or Declarant hereunder is made to a Duplex, Duplex Exterior or the Duplex Common Area by an Owner without the prior written consent of the Board and/or Declarant (as applicable), then (i) the Board may, in its discretion, take any of the following actions, and (ii) until such time as the Declarant no longer owns or controls title to any portion of the Development Area, the Declarant may, in its discretion, take any of the following actions:

(a) Require the Owner to remove the addition, alteration or improvement and restore the Duplex, Duplex Exterior or Duplex Common Area to its original condition, all at the Owner's expense;

(b) If the Owner refuses or fails to properly perform the work required under (a), the Board may cause such work to be done and may charge the Owner for the cost thereof as determined by the Board; or

(c) Ratify the action taken by the Owner, and the Board may (but shall not be required to) condition such ratification upon the same conditions which it may impose upon the giving of its prior consent under this Section.

Article Four
INSURANCE/CONDEMNATION

4.01 ASSOCIATION INSURANCE:

(a) The Association shall have the authority to and shall obtain comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable, and workers compensation insurance and other liability insurance as it may deem desirable, insuring each Owner, the Association, its directors and officers, the Declarant, the managing agent, if any, and their respective employees and agents, as their interests may appear, from liability resulting from an occurrence on or in connection with, the Community Area, Association Maintained Public Area, Duplex Exteriors and any other property maintained by the Association. The Board may, in its sole discretion, obtain any other insurance which it deems advisable including, without limitation, insurance covering the Board from liability for good faith actions beyond the scope of their respective authorities and covering the indemnity set forth in Section 5.06. Such insurance coverage shall include cross liability claims of one or more insured parties.

(b) Fidelity bonds indemnifying the Association, its directors and officers and the Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Association or of any other person handling funds of the Association may be obtained by the Association in such amounts as the Board may deem desirable.

(c) The premiums for any insurance obtained under this Section with respect to the Community Area shall be Community Expenses, and the premiums for any insurance obtained under this Section with respect to the Duplex Exteriors shall be Duplex Expenses.

4.02 DUPLEX INSURANCE/DAMAGE:

(a) UNLESS THE BOARD HAS PROVIDED WRITTEN NOTICE TO THE OWNER OF DUPLEXES THAT IT INTENDS TO PROVIDE INSURANCE PURSUANT TO THE REMAINDER OF THIS SECTION, THEN EACH OWNER OF A DUPLEX SHALL PROVIDE HIS OWN INSURANCE AGAINST LOSS OF DAMAGE BY FIRE AND OTHER HAZARDS.

(b) The Board shall have the authority to and may obtain insurance for the Duplexes against loss or damage by fire and such other hazards as may be required by the Federal National Mortgage Association, as the Board may deem desirable, or as reasonably required by First Mortgages, for the full insurable replacement cost of the Duplexes, including fixtures located within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the Duplexes; provided, that, unless specifically obtained by the Board, the insurance coverage shall not be required to include any "Improvements and Betterments" to a Duplex. For purposes hereof, Improvements and Betterments shall include all decorating, fixtures and furnishings installed or added to and located within the boundaries of the Duplex, including without limitation, electrical

fixtures, appliances, air conditioning and heating equipment, water heaters, built in cabinets, floor coverings, including, but not limited to, carpeting, wood and vinyl flooring, wall coverings and ceiling coverings, including, but not limited to, paint and paneling. Premiums for such insurance shall be Duplex Expenses. Such insurance coverage shall be written in the name of, losses under such policies shall be adjusted by, and the proceeds of such insurance shall be payable to, the Association as trustee for each of the Duplex Owners. All such policies of insurance (i) shall contain standard mortgage clause endorsements in favor of the First Mortgagees as their respective interests may appear, (ii) shall provide that the insurance, as to the interests of the Board, shall not be invalidated by any act or neglect of any Duplex Owner, (iii) to the extent possible, shall provide that such policy shall not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' written notice to the First Mortgagee of each Duplex, and (iv) shall contain waivers of subrogation with respect to the Association and its directors and officers, employees and agents (including the managing agent), Owners, occupants of the Duplexes, First Mortgagees, the Declarant and shall name all such parties as additional insured parties as their interests may appear.

(c) The Board may engage the services of any bank or trust company authorized to do trust business in Wisconsin to act as trustee, agent or depository on behalf of the Board for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, upon such terms as the Board shall determine consistent with the provisions of this Declaration. The fees of such corporate trustee shall be Duplex Expenses. In the event of any loss in excess of \$100,000.00 in the aggregate, the Board shall engage a corporate trustee as aforesaid. In the event of any loss resulting in the destruction of the major portion of one or more Duplexes, the Board shall engage a corporate trustee as aforesaid upon the written demand of the First Mortgagee or any Owner of any Duplex so destroyed. The rights of First Mortgagees under any standard mortgage clause endorsement to such policies shall, notwithstanding anything to the contrary therein contained, at all times be subject to the provisions of this Declaration with respect to the application of insurance proceeds to the repair or reconstruction of the Duplexes. Payment by an insurance company to the Board or to such corporate trustee of the proceeds of any policy, and the receipt of a release from the Board of the company's liability under such policy, shall constitute a full discharge of such insurance company, and such company shall be under no obligation to inquire into the terms of any trust under which proceeds may be held pursuant hereto, or to take notice of any standard mortgage clause endorsement inconsistent with the provisions hereof, or see to the application of any payments of the proceeds of any policy by the Board or the corporate trustee.

(d) Unless expressly advised to the contrary by the Board, each Owner of a Duplex shall obtain his own insurance on the Improvement and Betterments (as defined in Section 4.02) within the Owner's Duplex, the contents of the Owner's Duplex and furnishings and personal property therein, the Owner's personal property stored elsewhere on the Premises and the Owner's personal liability to the extent not covered by the liability insurance for all of the Owners obtained as part of the Duplex Expenses as above provided, and the Board shall have no obligation whatsoever to obtain any such insurance coverage on behalf of the Owners of Duplexes. Except as expressly determined by the Board, the Board shall not be responsible for obtaining insurance on such Improvements and Betterments and shall not be obligated to apply any insurance proceeds from policies it is obligated to maintain hereunder to restore the affected Duplex to a condition better than the condition existing prior to the making or installation of Improvements and Betterments.

(e) Each Duplex Owner hereby waives and releases any and all claims which he may have against any other Owner, the Association, its directors and officers, the Declarant, the manager and the managing agent if any, and their respective employees and agents, for damage to the Duplex or to any personal property located in the Owner's Duplex caused by fire or other casualty, to the extent that such damage is covered by fire or other form of casualty insurance, and to the extent this release is allowed by policies for such fire or other casualty insurance.

(f) In the case of damage by fire or other disaster to any Duplex (a "Damaged Improvement") where the insurance proceeds are sufficient to repair or reconstruct the Damaged Improvement, then the proceeds shall be used by the Association to repair or reconstruct the Damaged Improvement.

(g) In the case of damage by fire or other disaster to any Duplex or building which contains Duplexes where the insurance proceeds are insufficient to repair or reconstruct the Damaged Improvement or the Damaged Improvement cannot be reconstructed as originally designed and built because of zoning, building or other applicable laws, ordinances or regulations, the following procedure shall be followed:

(1) A meeting of the Duplex Owners shall be held not later than the first to occur of (i) the expiration of thirty (30) days after the final adjustment of the insurance claims or (ii) the expiration of ninety (90) days after the occurrence which caused the damage.

(2) At the meeting at which a quorum of at least 20% of the Duplexes are represented, the Duplex Committee shall present a plan for the repair or reconstruction of the Damaged Improvement and an estimate of the cost of repair or reconstruction, together with an estimate of the amount thereof which must be raised by way of special assessment to be levied against all Duplexes and a proposed schedule for the collection of a special assessment to pay the excess cost.

(3) A vote shall then be taken on the question of whether or not the Damaged Improvement shall be repaired or reconstructed based on the information provided by the Duplex Committee under (2) above, including the proposed special assessment. The Damaged Improvement shall be repaired or reconstructed and the proposed special assessment shall be levied only upon the affirmative vote of Voting Members representing at least two-thirds (2/3rds) of the votes cast by Voting Members representing Duplexes at such meeting.

(4) If the Voting Members representing Duplexes do not vote to repair or reconstruct the Damaged Improvement at the meeting provided for in (1) and (2) above or if a quorum is not present at such meeting, then the Duplex Committee may, at its discretion, call another meeting or meetings of the Duplex Owners to consider or reconsider, as applicable, the question of whether or not the Damaged Improvement shall be repaired or reconstructed.

(5) If the Voting Members representing Duplexes do not vote to repair or reconstruct the Damaged Improvement under Subsection (4) above, then the Duplex

Committee may, with the consent of the Board and Owners representing 75% of the Duplexes in the damaged building and First Mortgagees representing 75% of the Duplexes subject to Mortgages in the damaged building, amend this Declaration to withdraw the Duplex Parcel which includes the Damaged Improvement from the terms hereof (except as provided below). The payment of just compensation, or the allocation of any insurance or other proceeds to any withdrawing or remaining Duplex Owner shall be made to such Duplex Owner and his First Mortgagee, as their interests may appear, on an equitable basis, determined by the Board in consultation with the Duplex Committee. From and after the effective date of the amendment referred to above in this paragraph, the Owner of the Duplex located on the Duplex Parcel which is withdrawn shall have no responsibility for the payment of assessments which would have been payable with respect to the Duplexes if the amendment had not been Recorded; provided, that, the Duplex Parcel shall continue to be subject to the provisions of Section 3.08 hereof and upon issuance of an occupancy permit for a building constructed on a Duplex Parcel removed from the terms hereof as provided above, the Duplex Parcel shall thereupon be subject to the terms hereof and each Duplex to be constructed thereon shall become a Duplex hereunder.

(h) If the Damaged Improvement is repaired or reconstructed, it shall be done in a workmanlike manner and the Damaged Improvement, as repaired or reconstructed, shall be substantially similar in design and construction to the improvements on the Duplex Parcel as they existed prior to the damage, with any variations or modifications required to comply with applicable law.

(i) If the Damaged Improvement is not repaired or reconstructed, then the damaged portion of the building shall be razed, or secured and otherwise maintained in conformance with the rules or standards adopted from time to time by the Board. Any reconstruction of the building shall be subject to the provisions of Section 3.09.

4.03 OWNER RESPONSIBILITY: In addition to the coverage described in Sections 4.02 and 4.03 above with respect to his Home, each Owner shall obtain his own personal liability insurance to the extent not covered by the liability insurance for all of the Owners obtained as part of the Community Expenses and Duplex Expenses, as above provided, and the Board shall have no obligation whatsoever to obtain any such individual insurance coverage on behalf of the Owners.

4.04 WAIVER OF SUBROGATION: The Association and each Owner hereby waives and releases any and all claims which it or he may have against any Owner, including relatives of an Owner, the Association, its directors and officers, Declarant, the managing agent, if any, and their respective employees and agents, for damage to the Homes, Community Area, Duplex Common Area, or to any personal property located in or on the Homes, the Community Area or the Duplex Common Area caused by fire or other casualty, to the extent that such damage is covered by fire or other forms of casualty insurance, and to the extent this release is allowed by policies for such insurance. To the extent possible, all policies secured by the Board under Sections 4.01(a) and (b) and by each Owner under Section 4.02 shall contain waivers of the insurer's rights to subrogation against any Owner, relatives of an Owner, the Association, its directors and officers, the Declarant, the managing agent, if any, and their respective employees and agents.

4.05 CONDEMNATION: In the case of a taking or condemnation by competent authority of any part of the Community Area, the proceeds awarded in such condemnation shall be paid to the Association and such proceeds, together with any Capital Reserve being held for such part of the Community Area, shall, in the discretion of the Board, either (i) be applied to pay the Community Expenses, (ii) be distributed to the Owners and their respective mortgagees, as their interests may appear, in equal shares for each Dwelling Unit, or (iii) be used to acquire additional real estate to be used and maintained for the mutual benefit of all Owners, as Community Area under this Declaration. Any acquisition by the Association pursuant to this Section of real estate which shall become Community Area hereunder shall not become effective unless and until a supplement to this Declaration, which refers to this Section and legally describes the real estate affected, is executed by the President of the Association and Recorded.

Article Five
THE ASSOCIATION

5.01 IN GENERAL: Declarant has caused or shall cause the Association to be incorporated as a nonstock, nonprofit corporation under the laws of the State of Wisconsin. The Association shall be the governing body for all of the Owners for the administration, operation and maintenance, repair and replacement of the Community Area, Association Maintained Public Area, and Duplex Exteriors, and any such other portions of the Premises or other real estate, as provided herein.

5.02 MEMBERSHIP: Each Owner shall be a member of the Association. There shall be one membership per Dwelling Unit. Membership shall be appurtenant to and may not be separated from ownership of a Dwelling Unit. Ownership of a Dwelling Unit shall be the sole qualification for membership. The Association shall be given written notice of the change of ownership of a Dwelling Unit within ten (10) days after such change.

5.03 VOTING MEMBERS: Subject to the provisions of Section 9.05, voting rights of the members of the Association shall be vested exclusively in the Voting Members. One individual shall be designated as the "Voting Member" for each Dwelling Unit. The Voting Member or his proxy shall be the individual who shall be entitled to vote at meetings of the Owners. If the Record ownership of a Dwelling Unit shall be in more than one person, or if an Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member for the Dwelling Unit be designated by such Owner or Owners in writing to the Board and if in the case of multiple individual Owners no designation is given, then the Board at its election may recognize an individual Owner of the Dwelling Unit as the Voting Member for such Dwelling Unit.

5.04 BOARD / COMMITTEE MEMBERS: Subject to the rights retained by the Declarant under Section 9.05, (a) the Board shall consist of that number of members provided for in the By-Laws, each of whom shall be an Owner or Voting Member; (b) the Detached Home Committee shall consist of that number of members provided for in the By-Laws, each of whom shall be an Owner or Voting Member who represents a Dwelling Unit improved with a Detached Home, and (c) the Duplex Committee shall consist of that number of members provided for in the By-Laws, each of whom shall be an Owner or Voting Member who represents a Dwelling Unit improved with a Duplex.

5.05 VOTING RIGHTS: Prior to the Turnover Date, all of the voting rights at each meeting of the Association shall be vested exclusively in the Declarant and the Owners shall have no voting rights. From and after the Turnover Date, all of the voting rights at any meeting of the Association shall be vested in the Voting Members, and each Voting Member shall have one vote for each Dwelling Unit which the Voting Member represents. From and after the Turnover Date any action may be taken by the Voting Members at any meeting at which a quorum is present (as provided in the By-Laws) upon an affirmative vote of a majority by the Voting Members present at such meeting, except as otherwise provided herein or in the By-Laws.

5.06 BOARD LIABILITY: Neither the directors nor the officers or the committee members of the Association shall be personally liable to the Owners or the Association for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors and officers except for any acts or omissions found by a court to constitute criminal conduct, recklessness or actual fraud. The Association shall indemnify and hold harmless the Declarant and each of the directors and officers, the committee members and officers, his heirs, executors or administrators, against all contractual and other liabilities to the Owners, the Association or others arising out of contracts made by or other acts of the directors and officers on behalf of the Owners or the Association or arising out of their status as directors or officers unless any such contract or act shall have been made criminally, fraudulently or recklessly. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) actually and reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other in which any such director may be involved by virtue of such person being or having been such director or officer; provided, however, that such indemnity shall not be operative with respect to (i) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for criminal conduct, recklessness or actual fraud in the performance of his duties as such director or officer, or (ii) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person being adjudged liable for criminal conduct, recklessness or actual fraud in the performance of his duties as such director, officer or committee member.

5.07 MANAGING AGENT: The Declarant (or an entity controlled by the Declarant) may be engaged by the Association to act as the managing agent for the Association and as managing agent shall be paid a reasonable fee for its services as fixed by a written agreement between the Association and the Declarant (or an entity controlled by the Declarant). Any management agreement entered into by the Association prior to the Turnover Date shall have a term of not more than two years and shall be terminable by the Association without payment of a termination fee with ninety (90) days' written notice.

5.08 REPRESENTATION: The Association shall have the power and right to represent the interests of all of the Owners in connection with claims and disputes affecting the Community Area. Without limiting the foregoing, the Association shall have the power after the Turnover Date to settle warranty disputes or other disputes between the Association, the Owners, and the Declarant affecting the construction, use or enjoyment of the Community Area and any such settlement shall be final and shall bind all of the Owners.

5.09 DISSOLUTION: To the extent permissible under applicable law, in the event of the dissolution of the Association, any Community Area owned by the Association shall be conveyed to the Owners of Dwelling Units as tenants in common. The Association shall not voluntarily dissolve without the prior written consent of the Municipality.

5.10 LITIGATION: No judicial or administrative proceedings shall be commenced or prosecuted by the Association without first holding a special meeting of the members and obtaining the affirmative vote of Voting Members representing at least seventy-five percent (75%) of the Dwelling Units to the commencement and prosecution of the proposed action. This Section shall not apply to (a) actions brought by the Association to enforce the provisions of this Declaration, the By-Laws or rules and regulations adopted by the Board (including, without limitation, an action to recover Charges or to foreclose a lien for unpaid Charges) or (b) counterclaims brought by the Association in proceedings instituted against it.

Article Six ASSESSMENTS

6.01 PURPOSE OF ASSESSMENTS: The assessments levied by the Association shall be exclusively for the purposes of administering the affairs of the Association, paying the Community Expenses and Duplex Expenses, and accumulating reserves for any such expenses.

6.02 ASSESSMENTS: Each year on or before December 1, the Board and Duplex Committee shall adopt and furnish each Owner with a budget for the ensuing capital year, which shall show the following with reasonable explanations and itemizations:

- (a) The estimated Community Expenses;
- (b) The estimated amount, if any, to maintain adequate reserves for Community Expenses;
- (c) The estimated net available cash receipts, if any, from sources other than Community Assessments, if any;
- (d) The amount of the "Community Assessment" payable by the Owners of Dwelling Units, which is hereby defined as the amount determined in (a) above, plus the amount in (b) above, minus the amount determined in (c) above;
- (e) That portion of the Community Assessment which shall be payable by the Owner of each Dwelling Unit each month until the next Community Assessment or revised Community Assessment becomes effective, which monthly amount shall be equal to the Community Assessment, divided by the number of Dwelling Units, divided by 12, so that each Owner shall pay equal Community Assessments for each Dwelling Unit owned.
- (f) The estimated Duplex Expenses;
- (g) The estimated amount, if any, to maintain adequate reserves for Duplex Expenses;

(h) The estimated net available cash receipts, if any, from sources other than Duplex Assessments;

(i) The amount of the "Duplex Assessment" payable by the Owners of Duplex Parcels, which shall be equal to the amount determined in (f) above, plus the amount determined in (g) above, minus the amount determined in (h) above; and

(j) That portion of the Duplex Assessment which shall be payable by the Owner of each Duplex Parcel until the next annual Duplex Assessment or revised Duplex Assessment becomes effective, which monthly amount shall be equal to the Duplex Assessment divided by the number of Duplexes, divided by 12, so that each Owner of a Duplex Parcel shall pay equal Duplex Assessments for each Duplex Parcel owned.

The Board shall prepare and approve that portion of the budget provided for in (a) through (e) above, and the Duplex Committee shall prepare and approve that portion of the budget provided for in (f) through (j) above.

Anything herein to the contrary notwithstanding the following provisions shall apply with respect to the period prior to the Turnover Date. Any budget ("Stabilized Budget") prepared prior to the Turnover Date shall be based on the assumptions that (i) the Development has been fully constructed as shown on Declarant's Development Plan and (ii) all proposed Dwelling Units have been sold and are occupied. The Declarant's Development Plan shall be kept on file with the Association and may be modified from time to time by Declarant. Prior to the Turnover Date, (i) each Owner (other than the Declarant) shall pay as the Owner's monthly share of the Community Assessment an amount equal to the budgeted Community Expenses as shown on the Stabilized Budget divided by the number of planned Dwelling Units as shown on the Declarant's Development Plan, divided by 12 so that each Owner (other than Declarant) will pay, with respect to each Dwelling Unit owned by the Owner, a monthly Community Assessment equal to what the Owner would be paying if the Development were fully constructed pursuant to the Declarant's Development Plan and all proposed Dwelling Units have been built and are occupied, and (ii) each Owner of a Duplex (other than Declarant) shall pay as the Owner's monthly share of the Duplex Assessment an amount equal to the budgeted Duplex Expenses as shown on the Stabilized Budget, divided by the number of planned Duplexes as shown on the Declarant's Development Plan, divided by 12, so that each Owner of a Duplex (other than Declarant) will pay, with respect to each Duplex owned by the Owner, a monthly Duplex Assessment equal to what the Owner would be paying with respect to the Duplex if the Development were fully constructed pursuant to the Declarant's Development Plan and all proposed Duplexes have been built and are occupied. Declarant shall not be obligated to pay any Community Assessments or Duplex Assessments to the Association prior to the Turnover Date. However, if with respect to the period commencing on the date of the Recording of this Declaration and ending on the Turnover Date, the amount of any of the Community Assessments or Duplex Assessments billed to Owners (regardless of whether paid by Owners), plus working capital contributions under Section 6.07 payable by Owners (other than Declarant) less the portions thereof which are to be added to Reserves is less than the Community Expenses and Duplex Expenses, actually incurred with respect to such period, then the Declarant shall pay such difference to the Association. From time to time prior to the Turnover Date, the Declarant may (but shall not be obligated to) advance to the Association funds to be used by the Association to pay its expenses ("Advanced Funds"). A final accounting and

settlement of the amount, if any, owed by Declarant to the Association shall be made as soon as practicable after the Turnover Date. If, and to the extent that, the final accounting determines that the Advanced Funds, if any, are less than the amount owed by the Declarant to the Association pursuant to this Section, the Declarant shall pay the difference to the Association. If, and to the extent that, the final accounting determines that the Advanced Funds, if any, exceed the amount owed by the Declarant to the Association pursuant to this Section, then the Association shall pay such excess to the Declarant.

6.03 PAYMENT OF ASSESSMENT: On or before the 1st day of January of the ensuing calendar year, and on the first day of each month thereafter until the effective date of the next annual or revised Community Assessments and Duplex Assessments, each Owner of a Dwelling Unit which is subject to assessment shall pay to the Association, or as the Board may direct, that portion of the Community Assessments and Duplex Assessments, if any, which is payable by each Owner of a Dwelling Unit under Section 6.02. For purposes hereof, a Dwelling Unit shall be subject to assessment only from and after a temporary, conditional or permanent certificate of occupancy has been issued by the Municipality with respect to the Dwelling Unit.

6.04 REVISED ASSESSMENT: If the Community Assessment or Duplex Assessments proves inadequate for any reason (including nonpayment of any Owner's assessment) or proves to exceed funds reasonably needed, then the Board (or in the case of the Duplex Assessment, the Duplex Committee) may increase or decrease the assessments payable under Section 6.02 by giving written notice thereof (together with a revised budget and explanation for the adjustment) to each Owner not less than ten (10) days prior to the effective date of the revised assessment.

6.05 SPECIAL ASSESSMENT: The Board may levy a special assessment as provided in this Section (i) to pay (or build up reserves to pay) expenses other than Community Expenses and Duplex Expenses incurred (or to be incurred) by the Association from time to time for a specific purpose including, without limitation, to make alterations, additions or improvements to the Community Area, Duplex Exteriors or any other property owned or maintained by the Association; or (ii) to cover an unanticipated deficit under the prior year's budget. Any special assessment shall be levied against all of Dwelling Units in equal shares; except, that a special assessment with respect to Duplex Exteriors or to cover a deficit under the prior year's budget for Duplex Expenses shall be levied only against the Owners of Duplexes and only by action of the Duplex Committee. No special assessment shall be adopted without the affirmative vote of Voting Members representing at least two-thirds (2/3) of the votes cast on the question and only those Owners of Dwelling Units against which the proposed special assessment shall be levied may vote on the question. The Board shall serve notice of a special assessment on all Owners by a statement in writing giving the specific purpose and reasons therefor in reasonable detail, and the special assessment shall be payable in such manner and on such terms as shall be fixed by the Board. Any assessments collected pursuant to this Section (other than those to cover an unanticipated deficit under the prior year's budget) shall be segregated in a special account and used only for the specific purpose set forth in the notice of assessment.

6.06 CAPITAL RESERVE: The Association shall segregate and maintain special reserve accounts (the "Capital Reserve") to be used solely for making capital expenditures in connection with the repair and replacement of the following "Reserve Items": Improvements located on the Community Area, Associated Maintained Public Area, Woodland Conservancy

Easement, Monument Sign Easement, Duplex Exteriors and any other property maintained by the Association. The Board shall determine the appropriate level of the Capital Reserve based on a periodic review of the useful life of improvements to the Reserve Items and other property owned by the Association and periodic projections of the cost of anticipated major repairs or replacements to the Reserve Items and the purchase of other property to be used by the Association in connection with its duties hereunder; provided, that the Duplexes Committee shall make such determinations with respect to the Duplexes. The Capital Reserve may be built up by separate or special assessments or out of the Community Assessments or Duplex Assessments provided for in the budget. Special accounts set up for portions of the Capital Reserve to be used to make capital expenditures with respect to the Reserve Items shall be held by the Association as agent and trustee for the Owners of Dwelling Units with respect to which the Capital Reserve is held and such accounts shall be deemed to have been funded by capital contributions to the Association by the Owners. The budgets which will be adopted from time to time by the Board appointed by the Declarant prior to the Turnover Date shall include reserve buildups which the Board deems to be appropriate based on information available to the Board. Directors and officers elected by the Owners after the Turnover Date may use different approaches from those used by Board appointed by the Declarant for the buildup of reserves or may choose not to provide for the buildup of reserves for certain capital expenditures or deferred maintenance for repairs or replacements of the Reserve Items. If the Board chooses not to provide for the buildup of reserves for a particular anticipated expenditure or if the buildup of reserves that the Board does provide for in its budgets does not result in sufficient funds to pay for the expenditure when the expenditure must be made, then (i) neither the Board nor any of its past or present members shall be liable to the Association or the Owners for failing to provide for sufficient reserves and (ii) the Board shall have the right and power to either levy a separate or special assessment to raise the funds to pay the expenditure or to borrow funds to pay the expenditure and repay the borrowed funds out of future Community Assessments and Duplex Assessments, separate assessments or special assessments. The final accounting and settlement calculation between the Declarant and the Association (provided for in Section 6.02 above) shall not include any amounts allocated to, or deposited in, the Capital Reserve.

6.07 INITIAL CAPITAL CONTRIBUTION:

(a) Upon the closing of the first sale of a Dwelling Unit by the Declarant to a purchaser for value, the purchasing Owner shall (i) make a capital contribution to the Association in an amount equal to two (2) months of the then current Community Assessment, which amount shall be held and used by the Association for its working capital needs, and (ii) pay to the Association twenty percent (20%) of the then current annual Community Assessment for that Home, which amount shall be added to the Capital Reserve to be used for capital expenditures in connection with the repair and replacement of the Community Area. The Board may at its discretion use a portion of the funds collected pursuant to this subsection (a)(ii) to help fund the reserve account for the Duplexes which amount shall be added to those amounts collected pursuant to (b)(ii) below.

(b) Upon the closing of the first sale of a Duplex by the Declarant to a purchaser for value, the purchasing Owner shall (i) make a capital contribution to the Association in an amount equal to two (2) months of the then current Duplex Assessment, which amounts shall be held and used by the Association for its working capital needs, and (ii) pay to the Association twenty percent (20%) of the then current Duplex Assessment for that Duplex, which amount shall be added to the

Capital Reserve to be used for capital expenditures in connection with the repair and replacement of the Duplex Exteriors.

6.08 PAYMENT OF ASSESSMENTS: Assessments levied by the Association shall be collected from each Owner by the Association and shall be a lien on the Owner's Dwelling Unit and also shall be a personal obligation of the Owner in favor of the Association, all as more fully set forth in Article Seven.

Article Seven

COLLECTION OF CHARGES AND REMEDIES FOR BREACH OR VIOLATION

7.01 CREATION OF LIEN AND PERSONAL OBLIGATION: The Declarant hereby covenants, and each Owner of a Dwelling Unit by acceptance of a deed therefor (whether or not it shall be so expressed in any such deed or other conveyance) shall be and is deemed to covenant and hereby agrees to pay to the Association all Charges made with respect to the Owner or the Owner's Dwelling Unit, as applicable. Each Charge, together with interest thereon and reasonable costs of collection, if any, as hereinafter provided, shall be a continuing lien upon the Dwelling Unit against which such Charge is made and also shall be the personal obligation of the Owner of the Dwelling Unit at the time when the Charge becomes due. The lien or personal obligation created under this Section shall be in favor of and shall be enforceable by the Association.

7.02 COLLECTION OF CHARGES: The Association shall collect from each Owner all Charges payable by such Owner under this Declaration.

7.03 NON-PAYMENT OF CHARGES: Any Charge which is not paid to the Association when due shall be deemed delinquent. Any Charge which is delinquent for thirty (30) days or more shall bear interest at the rate of eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is less, from the due date to the date when paid after sixty (60) days, but not more than six (6) months from the due date of the assessment. The Association may (i) bring an action against the Owner personally obligated to pay the Charge to recover the Charge (together with interest, costs and reasonable attorney's fees for any such action, which shall be added to the amount of the Charge and included in any judgment rendered in such action), and (ii) enforce and foreclose any lien which it has or which may exist for its benefit. Any foreclosure action may be brought at the Association's election either (x) in the same manner as an action to foreclose a real estate mortgage or (y) as a proceeding to enforce a statutory maintenance lien as provided in Section 779.70, Wis. Stats., to the extent said Section is applicable. Said election between (x) and (y) above shall be made by the Board on a case by case basis. In addition, the Board may add a reasonable late fee to any installment of an assessment which is not paid within thirty (30) days of its due date. No Owner may waive or otherwise escape personal liability for the Charges hereunder by nonuse of the Community Area or by abandonment or transfer of his Dwelling Unit.

7.04 LIEN FOR CHARGES SUBORDINATED TO MORTGAGES: The lien for Charges, provided for in Section 7.01, shall be subordinate to the First Mortgagee's mortgage on the Dwelling Unit which was Recorded prior to the date that any such Charge became due. Except as hereinafter provided, the lien for Charges, provided for in Section 7.01, shall not be affected by any sale or transfer of a Dwelling Unit. Where title to a Dwelling Unit is transferred pursuant to

a decree of foreclosure of the First Mortgagee's mortgage or by deed or assignment in lieu of foreclosure of the First Mortgagee's mortgage, such transfer of title shall extinguish the lien for unpaid Charges which became due prior to the date of the transfer of title. However, the transferee of the Dwelling Unit shall be personally liable for his share of the Charges with respect to which a lien against his Dwelling Unit has been extinguished pursuant to the preceding sentence where such Charges are reallocated among all the Owners pursuant to a subsequently adopted annual or revised Community Assessment, Duplex Assessment or special assessment, and non-payment thereof shall result in a lien against the transferee's Dwelling Unit, as provided in this Article.

7.05 SELF-HELP BY BOARD: In the event of a violation or breach by an Owner of the provisions, covenants or restrictions of the Declaration, the By-Laws, or rules or regulations of the Board, where such violation or breach may be cured or abated by affirmative action, then the Board, upon not less than ten (10) days' prior written notice to the Owner, shall have the right to enter upon that part of the Premises where the violation or breach exists to remove or rectify the violation or breach; provided, that, if the violation or breach exists within a Home, judicial proceedings must be instituted before any items of construction can be altered or demolished.

7.06 OTHER REMEDIES OF THE BOARD: In addition to or in conjunction with the remedies set forth above, enforcement of any of the provisions contained in this Declaration or any rules and regulations adopted hereunder the Board may levy a fine or the Board may bring an action at law or in equity in the name of the Association against any person or persons violating or attempting to violate any such provision, either to restrain such violation, require performance thereof, to recover sums due or payable (including fines) or to recover damages, and against the Dwelling Unit to enforce any lien created hereunder; and failure by the Association to enforce any provision shall in no event be deemed a waiver of the right to do so thereafter.

7.07 COSTS AND EXPENSES: All costs and expenses incurred by the Board in connection with any action, proceedings or self-help in connection with the exercise of its rights and remedies under this Article, including, without limitation, court costs, attorneys' fees and all other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the rate of eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is less, until paid, shall be charged to and assessed against the defaulting Owner, and the Association shall have a lien for all the same, upon his Dwelling Unit as provided in Section 7.01.

7.08 ENFORCEMENT BY OWNERS: Enforcement of the provisions contained in this Declaration and the rules and regulations adopted hereunder may be by any proceeding at law or in equity by any aggrieved Owner against any person or persons violating or attempting to violate any such provisions, either to restrain such violation or to recover damages, and against a Dwelling Unit to enforce any lien created hereunder.

Article Eight USE RESTRICTIONS

8.01 RESIDENTIAL USE: Each Dwelling Unit shall be used only for residential purposes, as a private residence, and no professional, business or commercial use shall be made of a Dwelling Unit or any portion thereof, nor shall any Resident's use of a Dwelling Unit endanger the health or disturb the reasonable enjoyment of any other Owner or Resident, except that

professional and quasi-professional persons may use their residence as an ancillary or secondary facility to an office elsewhere. The foregoing restrictions shall not, however, be construed to prohibit a Resident from: (a) maintaining his personal professional library; (b) keeping his personal business or professional records or accounts; (c) handling his personal business or professional telephone calls or correspondence therefrom, or (d) conducting an in-home business not prohibited by applicable laws, ordinances or regulations. Any lease affecting a Dwelling Unit is subject to these provisions and the terms of this Declaration, including without limitation Section 2.16.

8.02 OBSTRUCTIONS AND REFUSE: Except as permitted under Article Nine, there shall be no obstruction of the Community Area. No Owner shall store any items or materials in the Community Area without the prior written consent of the Board. The Community Area shall be kept free and clear of all rubbish, debris and other unsightly materials and no waste shall be committed thereon. All rubbish shall be deposited in such areas and such receptacles as shall be designated by the Board. All rubbish, trash, or garbage shall be kept so as not to be seen from neighboring Homes and streets. Garbage may not be burned on a Lot. Unless otherwise provided in rules and regulations adopted by the Board organized by Municipal Ordinance, all garbage shall be placed curbside no earlier than 7:00 p.m. on the day before collection and the empty receptacles shall be removed from curbside and returned to the Homes no later than 7:00 p.m. on the day of collection.

8.03 PETS: No animal of any kind shall be raised, bred, or kept on the Community Area. The Board may from time to time adopt rules and regulations governing (a) the keeping of pets in the Home, which may include prohibiting certain species of pets from being kept in the Home and (b) the use of the Community Area by pets. Any pet causing or creating a nuisance or unreasonable disturbance to an Owner shall be permanently removed from the Premises by the pet owner upon three (3) days written notice from the Board to the Owner of the Home containing such pet and the decision of the Board shall be final. No pet shall be permitted on the Community Area unless it is leashed. The owner of a pet shall be responsible for the immediate removal of pet waste from the Community Area.

8.04 PROSCRIBED ACTIVITIES / NUISANCE: No nuisance, noxious or offensive activity shall be carried on in the Premises nor shall anything be done therein, willfully or negligently, which may be or become an annoyance or nuisance to the Owners or occupants of any Home.

8.05 PROHIBITED USES AND STRUCTURES: Unless permitted by the Board, no clothes, sheets, blankets, laundry of any kind or other articles shall be hung out on any portion of the Premises. Except as permitted under Article Nine, there shall be no obstruction of the Community Area and nothing shall be stored in the Community Area without the prior written consent of the Board.

8.06 PARKING / VEHICLES:

(a) Parking areas and driveways shall be used for parking operable and licensed passenger motor vehicles only and no part of any Dwelling Unit shall be used for storage use, or parking of mobile homes, trailers, commercial vehicles, snowmobiles or boats except within the confines of a garage. No repair or body work of any motorized vehicle shall be permitted except

within the confines of the garage. Passenger motor vehicles in non-operative condition shall not be parked, except in garages. No golf carts or other motorized recreation vehicles shall be operated on the Premises, except as operated by the Declarant.

(b) Without limiting the foregoing paragraph, Residents shall not be permitted to store or park any vehicle (which has "D" or equivalent plates, more than two (2) axles, more than four (4) tires and/or a gross weight when fully loaded in excess of 8,000 pounds), recreational vehicle, boat, trailer or other similar vehicle on any portion of the Premises, other than within a garage which is part of a Home. In no event can any portion of a vehicle which is permitted to be parked on the Premises hereunder (including any ladder or other equipment attached thereto) block or overhang any portion of a sidewalk located on the Premises.

8.07 PLANTS: No plants, seeds, or other things or conditions harboring or breeding infectious plant diseases or noxious insects shall be introduced or maintained upon any part of the Premises.

8.08 ANTENNA/SATELLITE DISHES: Subject to the provisions of Section 3.07 and 3.08 to applicable federal, state or local laws, ordinances or regulations, towers, antennas, or other apparatus for the transmission or reception of television, radio, satellite or other signals shall not be installed or mounted on the outside of any Home. The foregoing, however, does not prohibit direct broadcast satellite receiving discs or dishes no larger than eighteen inches (18") in diameter provided that such over-the air reception devices are installed or mounted in compliance with rules and regulation adopted by the Board from time to time pertaining to the location, screening and manner of installation of such devices and provided that such rules and regulations do not cause unreasonable cost or delay and do not preclude reception of an acceptable quality signal. The purpose, herein, is to be courteous to the surrounding Owners. Under no circumstances shall free standing transmission or receiving towers which support satellite discs or dishes larger than one (1) meter in diameter or non-standard television antennae shall be permitted within the Development Area.

8.09 GARAGE DOORS: Garage doors shall be kept closed at all times, except when Residents or vehicles are entering or exiting the garage or when the garage is being cleaned.

8.10 MAILBOXES: The mailbox on the Dwelling Unit shall be of such style, size, material and color as shall be prescribed from time to time by the Board.

8.11 LANDSCAPING: Except as permitted under Article Three, there shall be no changes to landscaping on any portion of the Premises.

8.12 RULES AND REGULATIONS:

(a) The use and enjoyment of the Community Area shall be subject to reasonable rules and regulations duly adopted by the Board from time to time.

(b) Without limiting the foregoing, the Board may levy a reasonable fine upon an Owner for a violation of a rule or regulation, in accordance with the procedures set forth in Section 7.06.

8.13 FENCES: No fencing shall be permitted on the Premises other than fencing installed by the Declarant or the Association.

8.14 OUTBUILDINGS AND OTHER STRUCTURES:

(a) No outbuilding, animal house, greenhouse, playset, shed or storage shed or any other permanent or temporary structure shall be erected, installed or maintained anywhere on the Premises.

(b) This provision shall not affect any outbuilding, shed or storage shed constructed by the Declarant or the Association.

8.15 POOLS: No swimming pools shall be erected, installed or maintained anywhere on the Premises except as part of the Recreation Center, if any. All outdoor jacuzzis, hot tubs or other water features must be integrated into the design for the Home, be screened from view and shall be approved by the Board prior to installation. Any outdoor jacuzzis, hot tubs or other water features shall be located in the rear yard of the Dwelling Unit and shall not extend past the side lines of any Home extended to the rear lot line. A building permit for any jacuzzi, hot tub or water feature must be procured from the Municipality prior to installation.

8.16 WATERING: The Board may adopt rules and regulations governing the watering of grass, shrubs, trees and other foliage on the Community Areas. Without limiting the foregoing, the Board may require the Owner of a particular Dwelling Unit to be responsible for watering specific portions of the Premises as designated from time to time by the Board.

8.17 SOLAR ENERGY SYSTEM: Any and all devices employed to convert sunlight to electricity must be either totally screened from view or completely integrated into the residence design. Solar shingles or other reflective devices producing a glare that is visible from the street or from adjacent lots will not be permitted.

8.18 SIGNS: Except as provided in Article Nine, no "For Sale", "For Rent" or any other sign of any kind or other form of solicitation or advertising or window display shall be erected, maintained or permitted on the Premises unless permitted pursuant to reasonable rules or regulations adopted by the Board from time to time. Without limiting the foregoing, no more than one (1) sign (not to exceed 2 feet by 2 feet in size) may be placed in a window, subject to the reasonable rules and regulations of the Board. Also, during the two (2) week period prior to and during the one (1) week period subsequent to a primary or general election, one (1) political sign (not to exceed 2 feet by 2 feet in size) may be placed in the window.

8.19 PLAYSET: No playsets shall be erected, installed or maintained on the Premises except as installed by the Declarant or the Association.

8.20 MINIMUM SQUARE FOOTAGE: Homes located in each area as indicated on Exhibit C hereto shall have the following minimum square footages on the first and second floors combined but excluding the basement:

Area A: 1400 square feet
Area B: 1700 square feet

Area C: 1200 square feet

This restriction shall not apply to Homes constructed by the Declarant as model Homes; provided however, if a model home is razed and rebuilt the new Home built by any party other than the Declarant shall be subject to these restrictions.

8.21 BALCONIES / GRILLS: The use and placement of grills and other seasonal items on balconies shall be subject to applicable ordinances of the Municipality and rules and regulations adopted by the Board from time to time.

8.22 USE AFFECTING INSURANCE: Nothing shall be done or kept in any Home or in the Community Area which will increase the rate of insurance maintained by the Association pursuant to Article Four without prior written consent of the Board. No Owner shall permit anything to be done or kept in his Home or on the Community Area which will result in the cancellation of insurance maintained by the Association pursuant to Article Four or which would be in violation of any law.

Article Nine
DECLARANT'S RESERVED RIGHTS AND
SPECIAL PROVISIONS COVERING DEVELOPMENT PERIOD

9.01 IN GENERAL: In addition to any rights or powers reserved to the Declarant under the provisions of this Declaration or the By-Laws, the Declarant shall have the rights and powers set forth in this Article. Anything in this Declaration or the By-Laws to the contrary notwithstanding, the provisions set forth in this Article shall govern. Except as otherwise provided in this Article, the rights reserved to the Declarant in this Article shall terminate at such time as the Declarant is no longer vested with or in control of title to any portion of the Development Area ("Declarant Rights Period").

9.02 PROMOTION OF PROJECT: The Declarant shall have the right and power, within its sole discretion, to (i) construct such temporary or permanent improvements, or to do such acts or other things in, on, or to the Premises as the Declarant may, from time to time, determine to be necessary or advisable, (ii) construct and maintain model homes, sales or leasing offices, parking areas, advertising signs, lighting and banners, or other promotional facilities at such locations and in such forms as the Declarant may deem advisable and to use such model homes (including model homes which are sold by and leased back to the Declarant), sales or leasing offices or other facilities for the purpose of selling or leasing Dwelling Units on the Premises or at other properties in the general vicinity of the Premises which are being offered for sale by the Declarant or any of its affiliates, without the payment of any fee or charge whatsoever to the Association. Declarant, its agents, prospective purchasers and tenants, shall have the right of ingress, egress and parking in and through, and the right to use and enjoy the Community Area, at any and all reasonable times without fee or charge. The Declarant shall have the right and power to lease any Home owned by it to any person or entity which it deems appropriate in its sole discretion.

9.03 CONSTRUCTION ON PREMISES: In connection with the construction of improvements to any part of the Premises, the Declarant, its agents and contractors, shall have the

right, at the Declarant's own expense, (but shall not be obligated) to make such alterations, additions or improvements to any part of the Premises including, without limitation, the construction, reconstruction or alteration of any temporary or permanent improvements to any structure which shall contain Dwelling Units or to the Community Area which the Declarant deems, in its sole discretion, to be necessary or advisable, and the landscaping, sodding or planting and replanting of any unimproved portions of the Premises. In connection with the rights provided in the preceding sentence, the Declarant, its agents and contractors, shall have the right of ingress, egress and parking on the Premises and the right to store dirt, construction equipment and materials on the Premises without the payment of any fee or charge whatsoever. The rights of the Declarant under this Section 9.03 shall terminate one (1) year from time as the Declarant is no longer vested with or in control of title to any portion of the Development Area.

9.04 GRANT OF EASEMENTS AND DEDICATIONS: Declarant shall have the right to dedicate portions of the Community Area to the Municipality or to any other governmental authority which has jurisdiction over such portions. Declarant shall also have the right to reserve or grant easements over the Community Area or Duplex Common Area to any governmental authority, public utility or private utility for the installation and maintenance of electrical and telephone conduit and lines, gas, sewer or water lines, or any other utility services serving any Dwelling Unit.

9.05 DECLARANT CONTROL OF ASSOCIATION: The first Board shall consist solely of three (3) persons from time to time designated by the Declarant, which persons may, but need not, be members under Section 5.02. Declarant's rights under this Section to designate the members of the Board shall terminate on the first to occur of (i) such time as Declarant no longer holds or controls title to any part of the Development Area, (ii) the giving of written notice by Declarant to the Association of Declarant's election to terminate such rights, or (iii) fifteen (15) years from the date of Recording hereof. The date on which the Declarant's rights under this Section shall terminate shall be referred to as the "Turnover Date". From and after the Turnover Date, the Board shall be constituted and elected as provided in the By-Laws. Prior to the Turnover Date all of the voting rights at each meeting of the Owners shall be vested exclusively in the Declarant and the Owners shall have no voting rights.

9.06 OTHER RIGHTS: The Declarant shall have the right and power to execute all documents and do all other acts and things affecting the Premises which, in Declarant's opinion, are necessary or desirable in connection with the rights of Declarant under this Declaration.

9.07 ASSIGNMENT BY DECLARANT: All rights which are specified in this Declaration to be rights of the Declarant are mortgageable, pledgeable, assignable or transferable. Any successor to, or assignee of, the rights of the Declarant hereunder (whether as the result of voluntary assignment, foreclosure, assignment in lieu of foreclosure, or otherwise) shall hold or be entitled to exercise the rights of Declarant hereunder as fully as if named as such party herein. No such successor assignee of the rights of Declarant hereunder shall have or incur any liability for the acts of any other party which previously exercised or subsequently shall exercise such rights.

9.08 MATTERS AFFECTING COMMUNITY AREA: During the Declarant Rights Period, the Association shall not cause or permit a lien or encumbrance to be placed or imposed

on any portion of the Community Area (an "Outlot") without the prior written consent of the Declarant. Any such lien or encumbrance placed or imposed on a portion of an Outlot without Declarant's consent shall be null and void. In order to reflect or conform to a change in the Declarant's plan for the development, any time prior to the end of the Declarant Rights Period, the Declarant shall have the right and power to (i) Record a Special Amendment pursuant to Section 10.01(vii) to withdraw and remove any portion of an Outlot from the Premises, and (ii) require the Association to convey the portion of the Outlot so withdrawn and removed from the Premises to Declarant or its nominee, free and clear of any liens or encumbrances other than those created by or consented to by the Declarant pursuant to this Section.

Article Ten AMENDMENT

10.01 SPECIAL AMENDMENTS: Anything herein to the contrary notwithstanding, Declarant reserves the right and power to Record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of Fannie Mae, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Dwelling Units, (iii) to correct errors, omissions, ambiguities or inconsistencies in the Declaration or any Exhibit, or (iv) to bring the Declaration into compliance with applicable laws, ordinances or governmental regulations, (v) to amend Exhibit A to include additional real estate, and/or (vi) to amend Exhibit B to withdraw and remove all, or any portion, of an Outlot from the terms of the Declaration so that the portion or portions so withdrawn and removed shall no longer be part of the Premises hereunder. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to a Special Amendment on behalf of each Owner. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to make, execute and Record Special Amendments. The right and power to make Special Amendments hereunder shall terminate five (5) years from such time as Declarant no longer holds or controls title to a portion of the Development Area.

10.02 AMENDMENT: Subject to Section 10.01 and Article Eleven, the provisions of this Declaration may be amended, abolished, modified, enlarged, or otherwise changed in whole or in part by the affirmative vote of Voting Members representing at least Seventy-Five percent of the total votes or by an instrument executed by Owners of at least Seventy-Five Percent (75%) of the Dwelling Units; except, that (i) the provisions of this Section 10.02 may be amended only by an instrument executed by all of the Owners and all First Mortgagees, and (ii) Article Nine, Article Twelve or any other provisions relating to the rights of Declarant may be amended only with the written consent of the Declarant. No amendment which removes Premises from the provisions of this Declaration shall be effective if as a result of such removal, an Owner of a Dwelling Unit shall no longer have the legal access to a public way from his Dwelling Unit. No amendment shall become effective until properly Recorded.

Article Eleven
FIRST MORTGAGEES RIGHTS

11.01 NOTICE TO FIRST MORTGAGEES: Upon the specific, written request of First Mortgagee or the insurer or guarantor of a First Mortgagee's mortgage, such party shall receive some or all of the following:

(a) Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Association to the Owner of the Dwelling Unit covered by the First Mortgagee's mortgage;

(b) Any audited or unaudited financial statements of the Association which are prepared for the Association and distributed to the Owners; provided, that, if an audited statement is not available, then upon the written request of the holder, insurer or guarantor of a Mortgage, the Association shall permit such party to have an audited statement for the preceding fiscal year of the Association prepared at such party's expense;

(c) Copies of notices of meetings of the Owners;

(d) Notice of any proposed action that requires the consent of a specified percentage of Eligible First Mortgagees;

(e) Notice of any substantial damage to any part of the Community Area or the Dwelling Unit subject to the First Mortgagee's mortgage;

(f) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Community Area or the Dwelling Unit subject to the First Mortgagee's mortgage;

(g) Notice of any default by the Owner of the Dwelling Unit which is subject to the First Mortgagee's mortgage under this Declaration, the By-Laws or the rules and regulations of the Association which is not cured within thirty (30) days of the date of the default;

(h) The right to examine the books and records of the Association at any reasonable times;

(i) In the case of a First Mortgagee, the right to be listed on the records of the Association as an "Eligible First Mortgagee" for purpose of Section 11.02 below; and

(j) A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

The request of any such party shall specify which of the above it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Association.

11.02 CONSENT OF FIRST MORTGAGEES:

(a) In addition to any requirements or prerequisites provided for elsewhere in this Declaration, the consent of First Mortgagees holding, in the aggregate, the first mortgages on at least two-thirds (2/3) of the Dwelling Units (by number) which are subject to first mortgages held by First Mortgagees which specifically request to be treated as "Eligible First Mortgagees" under Section 11.01(i) above will be required for the Association to do or permit to be done any of the following:

(1) Adoption of an amendment to this Declaration which (i) changes Article Six or otherwise changes the method of determining the Community Assessments, North Detached Home Assessments, Duplex Assessments or other Charges which may be levied against an Owner; (ii) changes Section 7.04 or Article Ten, (iii) changes this Article Eleven, Article Twelve or any other provision of this Declaration or by the By-Laws which specifically grants rights to First Mortgagees, (iv) materially changes insurance and fidelity bond requirements, (v) changes voting rights, or (vi) imposes a right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his Dwelling Unit; or

(2) The withdrawal of the Premises from the provisions of this Declaration.

However, in no event shall the consent of Eligible First Mortgagees be required with respect to any action taken by Declarant pursuant to Article Twelve.

(b) Whenever required, the consent of an Eligible First Mortgagee shall be deemed granted unless the party seeking the consent is advised to the contrary, in writing, by the Eligible First Mortgagee within sixty (60) days after making the request for consent.

11.03 INSURANCE PROCEEDS/CONDEMNATION AWARDS: In the event of (i) any distribution of any insurance proceeds hereunder as a result of damage to, or destruction of, any part of the Community Area or (ii) any distribution of the proceeds of any award or settlement as a result of condemnation or eminent domain proceedings with respect to any part of the Community Area, any such distribution shall be made to the Owners and their respective First Mortgagees, as their interests may appear, and no Owner or other party shall be entitled to priority over the First Mortgagee of a Dwelling Unit with respect to any such distribution to or with respect to such Dwelling Unit; provided, that, nothing in this Section shall be construed to deny to the Association the right (i) to apply insurance proceeds to repair or replace damaged Community Area or (ii) to apply proceeds of any award or settlement as a result of eminent domain proceedings as provided in Article Four.

Article Twelve
ANNEXING ADDITIONAL PROPERTY

12.01 IN GENERAL: Declarant reserves the right at any time and from time to time prior to fifteen (15) years from the date of Recording of this Declaration to annex, add and subject additional portions of the Development Area to the provisions of this Declaration as additional Premises by recording a supplement to this Declaration (a "Supplemental Declaration"), as hereinafter provided. Any portion of the Development Area which is subjected to this Declaration

by a Supplemental Declaration shall be referred to as "Added Premises"; any portion of any Added Premises which is made part of the Community Area shall be referred to as "Added Community Area"; any portion of any Added Premises which is made part of the Duplex Common Area shall be referred to as "Added Duplex Common Area"; and any Dwelling Units contained in the Added Premises shall be referred to as "Added Dwelling Units". After the expiration of said fifteen (15) year period, Declarant may exercise the rights described herein to annex, add and subject additional portions of the Development Area to the provisions of this Declaration, provided that the consent the Owners (by number) of two-thirds (2/3) of all Dwelling Units then subject to this Declaration is first obtained.

12.02 POWER TO AMEND: Declarant hereby retains the right and power to Record a Supplemental Declaration, at any time and from time to time as provided in Section 12.01, which amends or supplements Exhibit B. Exhibit B may only be amended or supplemented pursuant to this Article to add portions of the Development Area to Exhibit B and shall not be amended to reduce or remove any real estate which is described in Exhibit B immediately prior to the Recording of such Supplemental Declaration. A Supplemental Declaration may contain such additional provisions affecting the use of the Added Premises or the rights and obligations of owners of any part or parts of the Added Premises as the Declarant deems necessary or appropriate.

12.03 EFFECT OF SUPPLEMENTAL DECLARATION: Upon the Recording of a Supplemental Declaration by Declarant which annexes and subjects Added Premises, Added Community Area, Added Duplex Common Area and Added Dwelling Units to this Declaration, as provided in this Article, then:

(a) The easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits and privileges set forth and described herein shall run with and bind the Added Premises and inure to the benefit of and be binding on any Person having at any time any interest or estate in the Added Premises in the same manner, to the same extent and with the same force and effect that this Declaration applies to the Premises, and Persons having an interest or estate in the Premises, subjected to this Declaration prior to the date of the Recording of the Supplemental Declaration;

(b) Every Owner of an Added Dwelling Unit shall be a member of the Association on the same terms and subject to the same qualifications and limitations as those members who are Owners of Dwelling Units immediately prior to the Recording of such Supplemental Declaration;

(c) In all other respects, all of the provisions of this Declaration shall include and apply to the Added Premises (including the Added Community Area, Added Duplex Common Area or the Added Dwelling Units, if any) made subject to this Declaration by any such Supplemental Declaration and the Owners, First Mortgagees, and lessees thereof, with equal meaning and of like force and effect and the same as if such Added Premises were subjected to this Declaration at the time of the Recording hereof;

(d) The Recording of each Supplemental Declaration shall not alter the amount of the lien for any Charges made to a Dwelling Unit or its Owner prior to such Recording;

(e) The Declarant shall have and enjoy with respect to the Added Premises all rights, powers and easements reserved by the Declarant in this Declaration, plus any additional rights, powers and easements set forth in the Supplemental Declaration; and

(f) Each Owner of an Added Dwelling Unit which is subject to assessment hereunder shall be responsible for the payment of the Duplex Assessment (if the Dwelling Unit is a Duplex) and Community Assessment pursuant to Section 6.02, as applicable, but shall not be responsible for the payment of any special assessment which was levied prior to the time that the Added Dwelling Unit became subject to assessment hereunder.

Article Thirteen
PARTY WALLS

13.01 PARTY WALL: Every wall, including the foundations therefor, which is built as a part of the original construction of a building and placed on the boundary line between separate Duplexes shall constitute and be a "Party Wall", and the Owner of a Duplex immediately adjacent to a Party Wall shall have the obligation and be entitled to the rights and privileges of these covenants and, to the extent not inconsistent herewith, the general rules of law regarding party walls.

13.02 RIGHTS IN PARTY WALL: Each Owner of a Duplex which includes a portion of a Party Wall shall have the right to use the Party Wall for support of the structure originally constructed thereon and all replacements thereof and shall have the right to keep, maintain, repair and replace therein all pipes, conduit, and ducts originally located therein and all replacements thereof.

13.03 DAMAGE TO PARTY WALL:

(a) If any Party Wall is damaged or destroyed through the act or acts of any Owner of a Duplex which is adjacent to such Party Wall, or his agents, servants, tenants, guests, invitees, licensees, or members of his family, whether such act is willful, negligent or accidental, such Owner shall forthwith proceed to rebuild or repair the same to as good a condition as in which such Party Wall existed prior to such damage or destruction without costs therefor to the Owner of the other adjoining Duplex.

(b) Any Party Wall damaged or destroyed by some act or event other than one caused by the Owner of a Duplex which is adjacent to such Party Wall, or his agents, servants, tenants, guests, invitees, licensees, or members of his family, shall be rebuilt or repaired by the Owners of the adjacent Duplexes to as good a condition as in which such Party Wall existed prior to such damage or destruction at joint and equal expense of such Owners, and as promptly as is reasonably possible; provided that the cost of repairing or replacing any portion thereof which is part of a Duplex Exterior with respect to which the Association is responsible for furnishing maintenance, repairs or replacements hereunder shall be paid by the Association to the extent not covered by insurance.

(c) In the event that any Owner shall fail, within a reasonable time after the occurrence of damage or destruction referred to in this Section, to perform the necessary repair or rebuilding, then, the Board may cause such repairs or rebuilding to be performed in the manner as provided

in this Section and the cost thereof shall be charged to such Owner as his personal obligation and shall be a continuing lien on the Owner's Duplex.

13.04 CHANGE IN PARTY WALL: Any Owner of a Duplex who proposes to modify, rebuild, repair or make additions to any structure upon his Duplex in any manner which requires the extension, alteration or modification of any Party Wall shall first obtain the written consent thereto, as to said Party Wall, of the Owner of the other adjacent Duplex and the Board, in addition to meeting any other requirements which may apply. In the event that a Party Wall is altered, regardless of whether all required consents have been obtained, any express or implied warranties made by the Declarant concerning the structural integrity of the Party Wall or of either the Homes adjacent to the Party Wall shall be null and void and the Owner who alters the Party Wall shall be responsible for any and all damage caused to an adjacent Duplex or improvements thereto.

13.05 ARBITRATION: In the event of a disagreement between Owners of Duplexes adjoining a Party Wall with respect to their respective rights or obligations as to such Party Wall, upon the written request of either of said Owners to the other the matter shall be submitted to the Board and the decision of the Board shall be final and binding.

Article Fourteen
MISCELLANEOUS

14.01 NOTICES: Any notice required to be sent to any Owner under the provisions of this Declaration or the By-Laws shall be deemed to have been properly sent if (i) mailed, postage prepaid, to his or its last known address as it appears on the records of the Association at the time of such mailing, (ii) transmitted by facsimile or e-mail to his or its facsimile number or e-mail address as either appears on the records of the Association at the time of such transmittal, or (iii) when personally delivered to his or its Home. The date of mailing, or the date of transmission if the notice is sent by facsimile or e-mail, shall be deemed the date of service.

14.02 CAPTIONS: The Article and Section headings are intended for convenience only and shall not be construed with any substantive effect in this Declaration. In the event of any conflict between statements made in recitals to this Declaration and the provisions contained in the body of this Declaration, the provisions in the body of this Declaration shall govern.

14.03 SEVERABILITY: Invalidation of all or any portion of any of the easements, restrictions, covenants, conditions, or reservations, by legislation, judgment or court order shall in no way affect any other provisions of this Declaration which shall, and all other provisions, remain in full force and effect.

14.04 PERPETUITIES AND OTHER INVALIDITY: If any of the options, privileges, covenants or rights created by this Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provisions shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of the President of the United States at the time this Declaration is Recorded.

14.05 TITLE HOLDING LAND TRUST: In the event title to any Lot is held by a title holding trust, under the terms of which all powers of management, operation and control of the Lot remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder from time to time shall be responsible for payment of all Charges and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Lot. No claim shall be made against any such title holding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of such lien or obligation shall continue to be a charge or lien upon the Lot and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such Lot.

14.06 WAIVER OF IMPLIED WARRANTIES OF PERFORMANCE IN A WORKMANLIKE MANNER, REASONABLE ADEQUACY FOR INTENDED USE AND OCCUPANCY, AND OTHER WARRANTIES: Wisconsin Statute Chapter 706, Section 706.10(7) ("Statute") specifies that every contract for the construction or rehabilitation of a home in Wisconsin carries with it a warranty that when completed, such improvements shall have been performed in a workmanlike manner and shall be reasonable adequate to equip the premises for use and occupancy as a home. The Statute also stipulates that the "Implied Warranty of Performance in a Workmanlike Manner" and that the "Implied Warranty for Reasonable Adequacy for an Intended Use and Occupancy" (together, "Implied Warranties") do not have to be in writing to be a part of the contract. These Implied Warranties cover not only structural and mechanical defects such as may be found in the foundation, roof, masonry, heating, electrical and plumbing, but they also cover any defect in workmanship which may not easily be seen by the buyer. However, the Statute states that the seller-builder and buyer may agree in writing that these Implied Warranties are not included as a part of their particular contract. Each buyer of a Home from Declarant agreed in the purchase contract that the Declarant has excluded and disclaimed the Implied Warranties and all other implied warranties, whether created judicially, statutorily or by common law, including the implied warranty of fitness for a particular purpose. Such exclusion and disclaimer shall apply to and bind any subsequent Owner of a Home and, accordingly, no Owner of a Home shall be able to assert a claim against Declarant for a breach of the Implied Warranty of Performance in a Workmanlike Manner, the Implied Warranty of Reasonable Adequacy for an Intended Use and Occupancy or any other implied warranty.

[Signature page follows]

Dated: _____, 20__

DECLARANT:

TAYLOR MORRISON OF ILLINOIS, INC.,
an Illinois corporation

By: _____
Name: _____
Title: _____

STATE OF ILLINOIS)
) SS.
COUNTY OF _____)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____, the _____ of Taylor Morrison of Illinois, Inc., an Illinois corporation, (the "Company") personally known to me or properly identified to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he/she signed, sealed and delivered the said instrument as his/her free and voluntary act and the free and voluntary act of the Company for the uses and purposes therein set forth.

Given under my hand and official seal, this _____ day of _____, 2015.

Notary Public: _____
Commission expires: _____

EXHIBIT A TO
DECLARATION OF COVENANTS FOR SYMPHONY BAY

The Development Area

[To be inserted prior to recording.]

EXHIBIT B TO
DECLARATION OF COVENANTS FOR SYMPHONY BAY

The Premises

[To be completed prior to recording.]

I. Premises:

II. Dwelling Units

A. Detached Home Lot: Each of the following described lots shall be a "Detached Home Lot" hereunder:

1. Lots _____

B. Duplex Lot: Each of the following described lots shall be a "Duplex Lot" hereunder and shall be divided into "Duplex Parcels" as described in Section 1.23 of the Declaration to which this Exhibit is attached:

1. Lots _____

III. Community Area:

1. Lots _____

IV. Duplex Common Area:

A. All portions of each Lot described in Section II.B. above, outside of the Duplexes on the Lot.

V. Association Maintained Public Areas:

A. Portions of the Bike Trail serving the Development which are located on the public right of way or property.

B. Landscaping islands located in _____ Street.

PINs: _____

Addresses: _____

EXHIBIT C TO
DECLARATION OF COVENANTS FOR SYMPHONY BAY

Minimum Square Footage Map

[To be inserted prior to recording.]